ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



MEMO

To: HOUSING METHODOLOGY COMMITTEE

From: ABAG RHNA TEAM DATE: SEPTEMBER 27, 2006

SUBREGIONAL ALLOCATIONS RE:

The 2006-2014 RHNA authorizes local jurisdictions to form RHNA subregions. ABAG assigns a share of the regional need to the RHNA subregions "in a proportion consistent with the distribution of households" in *Projections 2007*. This subregional share will likely be different than the share the subregion would receive under ABAG's RHNA allocation methodology.

ABAG also delegates to the subregion the responsibility for allocating the subregional share among the members of the subregion. If the RHNA subregion does not complete the allocation or does not complete a statutory requirement for the allocation process, ABAG must allocate the subregional share among the members of the subregion.²

All RHNA subregions must:

- form by September 30, 2006
- articulate a draft methodology by December 31, 2006
- adopt a final methodology by February 28, 2007
- adopt an initial subregional allocation by June 30, 2007
- adopt a final subregional allocation by June 30, 2008³

If a subregion fails to complete one of these steps, ABAG is responsible for allocation of the subregional share among the members of the subregion. ABAG and the HMC must decide what methodology to use for reallocation in this event.

ABAG staff wishes to suggest the following approach and invite Committee feedback at the October meetings:

- If the RHNA subregion has adopted a "default allocation," ABAG allocates using the default allocation. A "default allocation" is the allocation which members of a subregion agrees will be made if one or more members decline to accept the allocation made under the subregional methodology.
- If the subregion fails before ABAG has made any allocation, ABAG includes the subregional share in the regional allocation using ABAG's RHNA methodology.
- If the subregion fails after ABAG has made the initial allocation to all jurisdictions not in the subregion, ABAG separately allocates the subregional share only among the members of the subregion. ABAG uses its methodology for completing this allocation.

² Section 65584.03(d)

³ The regulatory due dates for each of these steps match ABAG's. The delegation agreement between ABAG and the subregions will create sufficient gaps between the ABAG due dates and the subregion's dues dates to permit ABAG and the RHNA subregion to meet their statutory obligations.

¹ Section 65584.03(c)